



North Central Idaho News

CLEARWATER, IDAHO, LATAH, LEWIS & NEZ PERCE COUNTIES

ECONOMIC TRENDS

SPECIAL TOPIC: HOUSING COSTS RISING

Incomes are not keeping pace with rising housing costs, according to a recent forum sponsored by the Palouse Economic Development Council and the Community Action Center, and that is creating "the gap." "In Whitman and Latah counties, home values are increasing by about 45 percent while incomes have upped by a little more than 10 percent," said Chris Venne, development finance director for Community Frameworks, a Spokane-based organization that provides affordable housing alternatives in the Pacific Northwest. The problem affects economic development, Venne said. For example moderate-income workers such as firefighters and other emergency responders are moving into less expensive, more suburban areas that are farther away from their service area, increasing response times. Teachers cannot afford to purchase homes and often turn down jobs because of the lack of available affordable housing. Businesses are finding it difficult to recruit workers because employees can't afford to buy homes.

Forum attendees discussed cost-saving housing alternatives such as small clusters of homes built on one large lot. The homes can be quality built, but reduced land costs bring the total cost down. As those homes become more popular, though, values will most likely increase. Self-help housing options such as Habitat for Humanity and similar programs build homes for people with low to moderate incomes if the new owners help in their construction. Land trust options also allow moderate-income families to purchase homes, without owning the land. Modular and manufactured homes also are options. Venne urges potential home owners and

North Central Idaho Table 1: Lewiston MSA Labor Force & Employment
Nez Perce County, Idaho and Asotin County, Washington

	Mar 2007*	Feb 2007	Mar 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	29,960	29,070	28,750	3.1	4.2
Unemployment	1,040	1,060	1,170	-1.9	-11.1
% of Labor Force Unemployed	3.5	3.6	4.1		
Total Employment	28,920	28,010	27,580	3.2	4.9
<i>Unadjusted</i>					
Civilian Labor Force	30,220	29,420	29,070	2.7	4.0
Unemployment	1,310	1,430	1,430	-8.4	-8.4
% of Labor Force Unemployed	4.3	4.9	4.9		
Total Employment	28,910	27,990	27,640	3.3	4.6
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	27,580	27,300	27,080	1.0	1.8
<i>Goods-Producing Industries</i>	4,690	4,600	4,560	2.0	2.9
Natural Resources & Mining	190	190	200	0.0	-5.0
Construction	1,480	1,320	1,300	12.1	13.8
Manufacturing	3,020	3,090	3,060	-2.3	-1.3
Wood Product Manufacturing	540	540	520	0.0	3.8
Paper Manufacturing	1,090	1,090	1,150	0.0	-5.2
Other Manufacturing	1,390	1,460	1,390	-4.8	0.0
<i>Service-Providing Industries</i>	22,890	22,700	22,520	0.8	1.6
Trade, Transportation & Utilities	5,340	5,300	5,310	0.8	0.6
Wholesale Trade	700	690	650	1.4	7.7
Retail Trade	3,460	3,430	3,480	0.9	-0.6
Utilities	90	90	90	0.0	0.0
Transportation & Warehousing	1,090	1,090	1,090	0.0	0.0
Information	430	420	420	2.4	2.4
Financial Activities	2,040	2,040	1,960	0.0	4.1
Professional & Business Services	1,540	1,520	1,580	1.3	-2.5
Education & Health Services	4,540	4,510	4,420	0.7	2.7
Leisure & Hospitality	2,530	2,490	2,470	1.6	2.4
Other Services	1,170	1,150	1,110	1.7	5.4
Government Education	2,630	2,630	2,560	0.0	2.7
Government Administration	2,030	2,010	2,020	1.0	0.5
Government Tribes	640	630	670	1.6	-4.5

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

developers to be creative and local political leaders to take an interest in working on more solutions.

SPECIAL TOPIC: POTLATCH LAND USE FEE ENACTED

Potlatch Corp. land has been open and free for people to use for more than 100 years. The land is still open, but the free part has changed. As of April everyone 16 and older must pay to access Potlatch's 660,000 acres in northern Idaho. Matt Van Vleet, spokesman

for the company, said sales have been brisk so far, with more than 600 people purchasing permits, most likely local residents who want to hunt in their favorite spots during spring turkey and bear seasons. Permit costs range from \$10 for a walk-on permit to \$25 per ATV, \$50 for a truck and \$100 for a recreational vehicle. Van Vleet said Potlatch tried to formulate a fee system that would fit the lifestyles of people in the Northwest. Every year, tens of thousands of people recreate on Potlatch land. "It's important that people buy the permits and that this process is successful," Van Vleet said. "Otherwise, the situation could change." He said if the fee system doesn't work out, one of the company's alternatives is to break the land into large sections and lease them to hunting groups. That is how Potlatch derives additional profit from its land holdings in Arkansas and the Midwest. Van Vleet called user fees "something unique to our land in Idaho. On our other property in Arkansas, people lease whole sections for hunting, and they're the only ones that can use it."

AREA DEVELOPMENTS

CLEARWATER COUNTY

- There will soon be a new builder's supply near Kamiah. Clearwater Builders Supply will soon join Orofino Builders Supply and Grangeville Builders Supply. Clearwater is constructing a new building on a site just past Kamiah en route to Kooskia that will boast a 20,000-square-foot all-covered sales area.

LATAH COUNTY

- John Anderson of the Anderson Group has saved Moscow's grain elevators at Sixth and Jackson streets from the wrecking ball. The company wants to retain the 70-foot diameter steel and 40-foot diameter concrete elevators for their historic value while using them in a way that benefits the community. "We want to rethink the boundaries between academia, industry and the community," Anderson said. According to Anderson, there is no final vision yet, but his company is looking at a variety of possibilities. "We want to retain and restore a historic icon that contributes to Moscow's unique sense of place and hope it serves as a catalyst for community-minded development along the railroad and industrial corridor." Anderson suggested the site could be used for farmers' markets, recreational and community events. "Initially, the grain elevators will exist as decoration, but in the long run we'll be using it for development," Anderson said. He has even received some suggestions for a restaurant or conference center at the top of the structure with a 360-degree view of the Palouse.

- People from throughout the Palouse want to create the Knowledge Corridor brand, a concept to attract business to the area. The Blue Ribbon Committee, which includes members from the University of Idaho, Washington State University, the city of Moscow, the Latah Economic Development Council and the city of Pullman, have met with Advantage Advertising representatives in Lewiston to begin work on the branding image. "We have to develop what exactly that means," said Margaret Howlett of the Latah Economic Development Council. The Knowledge Corridor concept is designed to attract businesses that can help the area grow. The concept has worked in other areas, and proponents believe the exceptional quality of life in the Palouse will attract participants. Howlett acknowledged the trust and cooperation between the two universities that has helped bring business and research to the area. "I want to continue to see that grow," she added. "Clustering attracts others who use services of another business. Pretty soon we'll have a group that works really well together."
- The Port of Whitman County is close to signing a lease with an international company that plans to establish a biodiesel crushing facility at the Port of Wilma near Clarkston, Wash. The plant would be capable of producing 30 million gallons of biodiesel per year. Fort Lauderdale, Fla.-based Losonoco Inc. announced its plans to build the facility at the Port of Wilma on the Snake River late last month. Losonoco Chief Operating Officer Don Markley said, "It is the ideal region with existing wheat production and, hopefully, soon canola." Losonoco contacted the port three months ago about its Wilma property. According to a Losonoco press release, it will work with local growers to supply some of its feedstock but will primarily contract with an international grain broker and buy most of its 360,000 tons of seed from Canada. Losonoco will lease 10 acres initially with the first option to lease an additional 10 acres. The company will pay \$23,000 a year for its site plus 12.48 percent in lieu of property tax.
- Lydig Construction Inc. of Spokane will begin work as soon as July on a \$50 million biotechnology and life sciences building on the north side of the Washington State University campus in Pullman. Lydig has issued a notice for interested subcontractors to pre-qualify to bid on concrete, masonry and stonework; structural steel; roofing and sheet metal; glazing systems; metal stud framing and drywall; laboratory casework and equipment; and mechanical and electrical work. The first phase of the four-story,

130,000-square-foot building, removal of the old tennis courts and site work, was done last summer for \$2.5 million. Since then, work has awaited funding approval. The biotechnology and life sciences building will house the university's School of Molecular Biosciences, the Center for Integrated Biotechnology and the Center for Reproductive Biology. The building is scheduled to be completed in 2008 and is the second of six envisioned in a master plan for a research and education complex on the campus. The first building constructed was for plant bioscience and was completed in 2005. Future buildings in the complex would house programs in agriculture, veterinary medicine and other research disciplines.

NEZ PERCE AND ASOTIN, WASH., COUNTIES

- Hillcrest Aircraft Co. of Lewiston is building two new hangars at the Lewiston/Nez Perce County Regional Airport to house eight-passenger airplanes with wing spans up to 55 feet. Three of the four spaces in the 10,500-square-foot steel buildings have already been reserved, said Gale Wilson, owner of Hillcrest. The construction project marks Hillcrest's entry into leasing storage for bigger planes. Currently the business has about 16,500 square feet of space divided into 13 bays that accommodate four-passenger planes with wing spans of less than 40 feet. The demand for larger hangars is growing in the Lewiston-Clarkston area. Two similar hangars are under construction at the airport by other developers. This is the first step in developing seven acres that Hillcrest Aircraft leases from the airport. Crews are installing taxiways, septic tanks and systems for storm water, electricity, water and telephone. Wilson said the company expects to build 10 more hangars during the next decade. Providing storage and fuel for planes is a sideline to Hillcrest's main business of sending pilots and helicopters throughout the nation doing work for the federal government such as fighting fires.
- The Nez Perce Tribe will give the Lapwai School District \$500,000 over the next five years to help complete the new high school and middle school. The donation comes after a bond levy failed in February, leaving the district unable to finish the current construction. "Although the high school and middle school is not a tribal school, but an Idaho public school, the Nez Perce Tribe has always placed an emphasis on education and feels this contribution is a worthwhile investment," said Rebecca Miles, chairman of the Nez Perce Tribal Ex-

ecutive Committee. The school district passed a \$3.9 million bond in 2004 to build a new school. But building costs soared shortly after that initial bond passed, leaving the district unable to afford completing the building. The Lapwai School District does not run a maintenance and operation levy like most other schools in the region. The district receives about \$1.3 million a year in impact aid, money given to districts impacted by a large area of trust land. The district also receives about \$40,000 a year from the Nez Perce Tribe's gaming revenue.

- Potlatch Corp. is taking a loss to get out of the business of raising poplar trees near Boardman, Ore. The company has announced the sale of its 17,000-acre hybrid poplar farm to an undisclosed private-equity-tree-farm investment fund for \$65 million. Potlatch anticipates taking a tax book loss of \$33.5 million on the sale, according to a Potlatch news release. The company's strategy for the poplar farm has evolved with fluctuations in markets for wood products. The development of the poplar farm began in 1992 when federal policies were limiting the amount of trees available for logging in national forests. "The Boardman project was somewhat of a hedge against chip supply shortages at the beginning," said company officials. That led to concerns that prices for chips would rise, but chip prices fell and never reached levels some had predicted, partially caused by a substantial reduction of pulp capacity on the West Coast in the 1990s. Very few chips from the Boardman farm ever made it into Potlatch's production. The market conditions for chips prompted Potlatch to shift its strategy at Boardman to one that included saw logs. Lumber from poplar trees can be used for finishing work such as molding, cabinets and paneling, but it's not strong enough for floors, walls or roofs. Potlatch at one time considered building its own sawmill for poplar near Boardman, then put aside the idea in favor of finding an organization with more experience in poplar to do so.

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